JANUARY 3, 2020 INDUSTRY NEWSLETTER



MARKET UPDATE

Round Tomatoes: Florida's round tomato volume is still extremely light this week. There are a few growers hanging on in Palmetto/Ruskin, harvesting 2nd, 3rd and later picks but most production has headed south to Naples/Immokalee where prior weather has kept the yields and sizing down so far. Homestead area farms are set to get up and running over the weekend, which will move the size profile up a notch and provide a little more fruit going into next week. It's a slow process, but production will gradually work its way toward normal numbers through the month of January barring any major weather concerns. Mexico's supply is still extremely short as we wait for Sinaloa growers to get into crops that were delayed by the major weather event in late November. Quality has been hit or miss and color has been light on the rounds trickling in from both older Baja crops and the Mainland. Growers expect to start up in the Culiacan area in about 2 weeks, which will give availability and quality a much needed boost.

Roma Tomatoes: Although holidays and rain have slowed the process, a few more growers are bringing romas into Nogales finally. Volume has been light so far and hasn't been able to keep up with demand, but a gradual increase should begin starting next week. Quality has been a challenge with color issues, puffiness, etc. but should improve as more new crops get rolling. Florida's roma quality is better, but seasonal volume is light by design and there's not enough to go around.

Grape Tomatoes: Grape tomato availability is improving in both Florida and Mexico as new crops get rolling and farms are seeing more normal yields. Quality has been nice.

Bell Peppers: As the late Fall plantings wind down in Florida, Eastern pepper availability has tightened up this week. With less acreage devoted to Winter crops due to freeze risk, volumes will be lighter in the Sunshine State through January and February. Mexico's production has also been on the light side this week due to rain, holiday schedules and a decline in open field crops in harvest.

Shadehouse growers have been slow to come on but there should be a little more fruit in Nogales by the middle of next week. Quality has been average in both FL and Mexico with bruising as the primary concern.

Cucumbers: In the East, Honduran cucumber volume is picking up steam as more growers get going and/or further into crops. Quality is nice. Mexico is also seeing more volume after the holiday. While long-term effects of the late November tropical storm are still possible, some crops have recovered better than anticipated and growers are bringing more volume and nice quality product to the border.

Green Beans: Florida's bean supply is a bit lighter this week as yields and quality have declined slightly due to weather. Mexican farms have been crossing good numbers and quality. More volume is expected for next week but there could be a few quality issues due to recent rains,

Summer Squash: Yellow squash quality has been a struggle for both FL and Mexico this week. Both areas have had the pesky rains and winds that cause scarring and scuffing and create a lot of #2 product. In general, quality and availability are better on zucchini. Most of FL's product is coming out of Homestead, as growers in the Immokalee and other south FL areas work through a bit of a weatherrelated skip. Sinaloa growers expect to come with more volume and better quality next week which will be helpful in meeting retail demand.

Eggplant: Eggplant supply has lightened up in both the East and West, primarily due to weather effects. Production levels are expected bounce back in Mexico next week while Florida's harvests may take a little longer to normalize.

Colored Bell Peppers: The late November rain created issues for colored pepper growers causing many to start almost two weeks late. Early picks were smaller than normal limiting retail availability. There have also been some greening issues as growers were eager to meet contract

commitments. Fortunately, the worst is behind us and we will see availability of retail grade/size peppers improve over the next few weeks.

English Cucumbers: Cool and rainy weather in Mexican growing areas plus the November storm has kept hothouse cucumber numbers lower than normal for the last few weeks, but production is on an upswing and we should see good numbers moving forward.

Mini Sweet Peppers: As with most other crops, mini sweets were also affected by the rains in late November. Some plants had to be pulled to prevent / limit disease issues but the loss is only estimated to be in the 10-15% range at this time. Production is currently lighter than normal for this time of year but growers are expecting better numbers in the next 7-10 days. Quality has been good but there are some occasional sizing issues.

Organic Cucumbers: Organic cucumbers are still extremely tight due to crop loss from the storm a month ago. Look for the situation to remain status quo until new fields get going in a few weeks.

Organic Bell Peppers: Organic bell pepper volume has dropped to light-moderate levels but there is currently enough product to meet demand.

Organic Squash: Organic squash numbers have picked up and supply is expected to be more consistent going forward. There's still more yellow than zucchini available, but zucchini is edging its way back up.

Organic Roma Tomatoes:

Nogales is finally beginning to see more organic roma volume and improved quality as new crops get started. Baja still has fruit available, but quality is poor, limiting its use.

Happy New Year!

Here's to the start of a new decade and a great 2020!

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NEWS IN THE GROCERY TRADE

Forget the "E," It's Just Commerce Now

By: Kristen Keenan, www.winsightgrocerybusiness.com, December 19, 2019

It used to happen all the time, so much so that it became a running family joke inside many households: Mom would go to the store just needing a few basics and leave with a shopping cart full of stuff she never intended to buy. Of course, those in the grocery business recognize that was achieved (to the delight of store owners) thanks to the science of aisle design and well-positioned row displays and sale items.

But decades of science designed to get customers to stay longer and buy more is aging out thanks to changing shopper needs in 2020 that emphasize convenience, speed and quality, coupled with the advent of technology enabling convenient shop-at-home commerce. The grocery store industry, which once saw itself removed from what was happening with retail stores down at the mall, no longer have that luxury.

Sale on E-Commerce

To be clear, the grocery world as a whole is confronted with two very specific changes in customer buying habits. First—thanks to the rise of shop-at-home, pick-up-in-store services (up 8% in 2019)—shoppers, particularly millennials, no longer distinguish between online and offline shopping. For them it's all shopping, and what they're looking for from their shopping experience—no matter online or offline—is seamlessness. If they put something in their cart on the app via their phone, they want to be able to log into their computer and see the same items in their cart there. When they go in-store, they want to see the same products on the shelves they saw on the app. All of which is putting more pressure on traditional brick-and-mortar retailers to provide a seamless experience for their customers.

We all know grocery profit margins are tight and any expenditure into online is imbued with some risk, but the demand is not going away: Shoppers see the value in these types of services and they want them. Recognize this is not going to change, and plan that investment, whether it's developing your own app or, more likely, establishing partnerships with third-party delivery services.

More Quick Trips

Standing in sharp contrast to the rising demand of online shopping is the increase in "quick trips" (which now encompass 50% of all grocery trips) and demand for a wide variety of in-store prepared meals. Mega stores have created "grab and go" sections of convenience items—light snacks, smaller servings of popular fruits and vegetables, dairy—up front by the register for quick/convenience trips so that people don't have to wander throughout a store three times the size of a football field to find them. Others are experimenting with similar types of get-in-get-out setups. More traditional grocers are experimenting with store designs that put graband-go items front and center, as well as rethinking SKU assortments around this new convenience-oriented shopper.

But even though that may mean smaller baskets per trip, those same shoppers are likely to go back frequently because they know they can get in and get out fast. Bottom line: Bricks and clicks in which data and the instore experience are coupled with choice and consistency online is the future of grocery. Today, retail needs to be hyperconvenient and deliver the immediacy today's shoppers demand regardless of whether they shop instore or online. Thus the "e" in e-commerce becomes redundant and outdated.

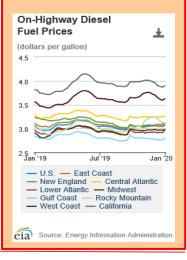
Kinda like the idea of mom going to the store for one thing and coming back with a trunkful.

This article has been edited for space and content. Please go to www.winsightgrocerybusiness.com to see the entire article.



TRANSPORTATION FACTS

- *The National Diesel Average jumped \$.03 this week, moving from \$3.04 to \$3.07 per gallon.
- * The average price for a gallon of diesel is \$.02 higher than the same time last year.
- * Pricing increased in all reporting areas except the Rocky Mountains where a gallon of diesel is actually \$.01 less than last week. The Lower Atlantic saw the sharpest price hike and is up \$.06 per gallon.
- *California's fuel price tops the charts at \$3.90 per gallon while the Gulf Coast remains the low-price leader at \$2.81 per gallon.
- *The WTI Crude Oil price remained relatively stable this week, moving slightly from \$61.11 to \$61.06 per barrel.
- *Trucks have been short in most shipping areas this week due to New Year's. Look for improvements as drivers get back to work post-holiday.



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FRESH CUT FOCUS

Super Bowl Concepts

Contributed By: Johnathan Maldonado, Manager of Innovation/Product Development- Lipman Dallas, TX

This month's Fresh Cut Focus will feature snack and appetizer ideas that are perfect for your Super Bowl parties or other gathering! Lipman's fresh cut product line provides you with the best of nature, cut fresh and packed for convenience year round. Our product-specific processing and patented packaging drives optimal shelf life – meaning you'll receive only the best product, every time. And this produce not only tastes good... it helps customers save valuable time in the kitchen, and the convenient packaging also reduces the risk of foodborne illness, by decreasing the opportunity for cross-contamination.

For more information, please reach out to your usual Lipman contact or one of our fresh cut specialists: Johnathan Maldonado at 214.907.0695, Chris Daulerio- East at 215.870.8956 or Brian Arbini- West at 209.402.5184.



PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Mostly Good	Higher
Cucumber	Good	Steady
Eggplant	Varied	Higher
Green Beans	Varied	Lower
Jalapenos	Good	Steady
Onions	Good	Steady
Squash	Varied	Higher
Tomatoes	Fair to Good	Elevated

JANUARY CALENDAR

All Month

National Slow Cooker Month Be Kind to Food Servers Month January 5th

National Keto Day

January 6th

National Bean Day

January 9th

National Law Enforcement Appreciation Day

Estero, FL Weather						
Fri	Sat	Sun	Mon	Tue		
Jan 3	Jan 4	Jan 5	Jan 6	Jan 7		
	Till I					
83°F	77°F	64°F	70°F	73°F		
69°F	51°F	46°F	53°F	55°F		
SSE 15 MPH	SW 17 MPH Precip 60%	N 10 MPH	NNE 6 MPH	ENE 5 MPH		

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MARKETING MINUTE

Industry Viewpoint: How a Shift at Facebook Will Affect Your Business By: Grace Vilches, www.theproducenews.com, December 31, 2019

At this point, it's not shocking to say that Facebook business pages and creators have seen a steady decline in engagement and reach. The platform has become a "pay to play game" and brands have been forced to increasingly put money behind their posts to see impression numbers they saw organically a few years ago. After facing public scrutiny over the spread of misinformation and mishandling of user data, Facebook has shifted its focus to private conversations and meaningful interactions. In turn, this shift has affected the news feed. Instead of favoring viral content and posts from publications and business pages, the Facebook algorithm is now showing users more posts from their friends, as well as posts from Facebook groups. On the group side, they've highlighted this shift by giving group admins new metrics and capabilities, including live video.

Groups vs. Pages: What's the difference?

Mark Zuckerberg described pages as town squares. They are public spaces intended to attract as big of an audience as possible. Anyone can like your page and see your content, even without having a Facebook account. In contrast, Facebook groups more closely resemble a private home. Members need to request to join, admins can set rules, and the overall feeling is that users are in an exclusive space where they can have more candid conversations with likeminded people who are interested in the same hobby or topic. There are Facebook groups for every interest, groups that focus on local communities, groups specific to certain fields or professions, the list goes on. There's likely to be a Facebook group for every topic, and if not, launching one is simple. While businesses and creators are struggling to see organic reach on their page posts, groups offer a way to connect with your audience without the limitations put in place by the algorithm.

What To Know Before Launching a Facebook Group

While Facebook groups are great because they're favored by the algorithm and allow for meaningful interactions, there are a few things to consider before jumping on the bandwagon and creating one. Groups are not Pages 2.0. Avoid using your Facebook group the same way you use your business page. Pages are a form of one way communication with the admins doing all the posting with the hopes of receiving likes, comments, and shares. Facebook groups allow for both admins and group members to create posts. The goal is to encourage your audience to ask questions, post content, share personal thoughts or experiences, and interact with other members. If all the posts are coming from the business or creator with no effort to garner authentic engagement and spark conversations, users are likely to leave the group.

Flesh Out Your Purpose

People don't like to feel like you are selling them something, especially in a medium that's supposed to be more authentic. If your goal in creating your Facebook group is to directly promote your product and drive sales, then this might not be the best avenue for your business. Groups should provide value to the members and make them feel as if they belong to a community.

One popular Facebook group subgenre is Instant Pot communities

While there are hundreds of groups dedicated to this topic, Instant Pot the brand runs their own group with over 2 million members. One guick scroll through the page, and you'll notice that 90 percent of the posts are from the members sharing their recipes, Instant Pot hacks, and asking questions with Instant Pot admins moderating and commenting back to their members. This is a prime example of how Facebook groups should be run.

Interacting in Existing Facebook Groups: An Alternative

Perhaps starting a dedicated Facebook group is not feasible for your brand. Last year, Facebook rolled out a new setting that allows Facebook pages to request to join Facebook groups. Instead of starting your own community from the ground up, your marketing team can identify existing communities that make sense for your brand to be interacting in and providing useful content and feedback. Be wary, many groups have strict rules about self-promotion and sales. Use your time spent in groups to interact as any regular member would and mindfully link back to your website or a piece of content when it makes sense.

At Produce for Kids, we launched our Healthy Family Project Facebook group as an offshoot of the Produce for Kids podcast, Healthy Family Project. Since its creation late summer, the group continues to grow week over week. Our goal for the group is to encourage our audience to continue the conversation from the podcast, ask questions, and find a safe space where parents and caregivers can seek advice, give feedback on episodes, and post relevant content. While organic reach will likely continue to decrease, Facebook groups offer a glimmer of hope for brands and marketers looking to reach audiences in authentic ways.

NATIONAL WEATHER SPOTLIGHT Last Week's Precipitation Totals and Average Temperature Deviations Departure of Average Temperature from Normal (°F)

JANUARY 3, 2020 INDUSTRY NEWSLETTER

AN APPLE A DAY

New Year's Resolution Shouldn't Be Used as a New Start on Your Health By: Nicole Pajer, www.huffpost.com, December 23, 2019

You spend the final weeks of December indulging in all that the holidays have to offer — an extra glass of eggnog, delicious frosted cookies and lazy days curled up in front of the TV. Come Jan. 1, you vow to be in the gym seven days a week, packing salads for lunch and drinking eight glasses of water a day. But then it doesn't work. Why? While it can seem motivating to make a New Year's resolution to revamp your lifestyle, experts note that this isn't always the most effective approach. Here are some reasons why looking at January as the time to start a new health regimen can actually sabotage your goals, plus some advice on what to do

The statistics are not in your favor.

It's a known fact that most New Year's resolutions, while well-intended, don't get off the ground — at least not for long. The failure rate is said to be about 80%. And according to Elise Auxier, a certified professional coach in Tampa, the majority of people that make January goals lose their resolve by mid-February.

Your resolution might not have the right motivation attached to it.

The beginning of a new year comes with cultural and social pressure to get healthier in one way or another, noted Nick Frye, a behavioral counseling manager at health coaching company OPTAVIA. This usually means losing weight, hitting the gym or eating better. "The problem with this lies in the concept of intrinsic versus extrinsic motivation," he said. "With intrinsic motivation, we are driven to achieve our goals because they reflect our most personal values, our truest aspirations and our most authentic selves. Extrinsic motivation means we base our goals on what other people think we are supposed to achieve." The bottom line? If you aren't embarking on a new health journey because it is meaningful and important to you, then it's usually just a matter of time before the commitment fades — no matter what time of year you started.

A January resolution can create an "all-or-nothing" mentality.

"As adults, we have long-established behavioral patterns of health. Some of these patterns started as children, so to think that you will wake up on Jan. 1 and change everything is setting yourself up for failure," said Stephanie Burstein, a licensed marriage and family therapist in Boca Raton, Florida. New Year's resolutions also have a way of making you feel like you need to go full-force on a goal or you may as well not do it at all. There will be times when you will inevitably deviate from your health goal — your work meeting ran late and you missed your yoga class, you were under the weather or traveling and unable to find a healthy lunch spot. If this happens, you might be more tempted to give up on a "resolution" entirely. Instead, focus on a goal day by day.

Your "new year, new you" goal may be too big to achieve.

"Last year, you didn't work out at all, but this year you are going to work out one hour a day, five days a week. That seems overwhelming just to read, doesn't it?" said Christine Kenney, a health coach in Nashville. Kenney added that this is often why people are guick to abandon new healthy habits that are set for January.

The January wellness movement is overwhelming.

So many people enjoy the holidays, then pack into the gym like sardines the first day of the new year. But this can add an extra layer of stress to your goal, according to Jeanette DePatie, a certified fitness trainer and instructor in Los Angeles. "Everybody else is doing the same thing, so the gym is full, the trainers are super busy and you won't get the personal attention you would get if you start your fitness journey in February or June," she said. DePatie added that seeing everyone going full-throttle in the gym in January can also set you up to push yourself too hard. "It encourages people to jump into fitness at a level that might be too hard or fast for them," DePatie said. "It's all part of the new year 'magical new me' syndrome. I see it every year — the gym is full in January, and the sports medicine guy's waiting room is full by Valentine's Day."

Delaying your goals can make them even harder to obtain.

"In general, the best time to attempt a health behavior change is right now," said Keith Humphreys, a psychiatrist at Stanford Health Care. "Instead of waiting for a better day, or period of time, try shifting your mindset toward what you can do today to improve 1% in the area you feel needs attention," said Mike Clancy, a health and wellness expert and founder of Mike Clancy Training. "This type of action-based behavior is built upon the success of consistency, rather than a sweeping change at a future date."

This article has been edited for content and space. For the full selection, go to www.huffpost.com

